

JUL 21 1959

DPD-4839-59

Subject: Contract No. HF-CT-699

Thompson Ramo Wooldridge Inc.
Los Angeles, California

Gentlemen:

Your original proposal for rates for Contract No. HF-CT-699 was dated 28 January 1959, the report from our auditors was dated 20 March 1959 and when the rates were discussed at your plant in April, you submitted a new proposal dated 22 April 1959. Subsequently a number of audit comments have been received on your amended proposal as follows:

Labor Rates: Your proposed rates used selected groups of employees rather than the plant-wide rate. Since we are using only this selected group, we have accepted this item.

Burden Rates:

a. Manufacturing Overhead: We could argue that to be consistent in accepting labor rates for a specific group that we should not use the composite rate which includes the Denver Plant which we are not using. We will, however, accept this composite rate contingent upon acceptance of c. below by you.

The enclosed amendment has been prepared on the above basis.

Distribution:

Orig - Ramo Wooldridge
cc - HF-CT-699
cc - Chrono, RI

DPD-DD/P: [] :mw (17-7-59)

Very truly yours,

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Contracting Officer

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